

Message Text

LIMITED OFFICIAL USE

PAGE 01 MTN GE 03529 01 OF 04 091831Z
ACTION STR-04

INFO OCT-01 STRE-00 ISO-00 AF-10 ARA-06 EA-07 EUR-12
NEA-10 IO-13 OIC-02 FEA-01 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-07 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05
SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01
/136 W

-----100528Z 099734 /45

P R 091624Z MAY 77
FM USDEL MTN GENEVA
TO SECSTATE WASHDC PRIORITY 2443
INFO ALL OECD CAPITALS
AMEMBASSY BELGRADE
AMEMBASSY BRASILIA
AMEMBASSY BUENOS AIRES
AMEMBASSY LAGOS
AMEMBASSY MANILA
AMEMBASSY MEXICO
AMEMBASSY NAIROBI
AMEMBASSY NEW DELHI
AMEMBASSY SEOUL
AMEMBASSY TEL AVIV
AMCONSUL HONG KONG

LIMITED OFFICIAL USE SECTION 1 OF 4 MTN GENEVA 3529

ACTION STR

H PASS CODEL

E.O. 11652: NA
TAGS: ETRD MTN GATT
SUBJ: MTN GROUP SAFEGUARDS MEETING, 3-4 MAY 1977

REF: A. MTN GENEVA 1150, B. MTN GENEVA 3192 (NOTAL)
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MTN GE 03529 01 OF 04 091831Z

C. TPSC 77-36, D. 76 MTN GENEVA 8624, E. 76 MTN
GENEVA 5882

1. SUMMARY. TWO-DAY MEETING OF SAFEGUARDS GROUP MARKED BY
EXTENSIVE, GENERALLY CONSTRUCTIVE, AND OCCASIONALLY SHARP
DISCUSSION OF TOPICS IN FIRST PORTION OF INTERIM WORK PRO-
GRAM AND CONTINUED ATTENTION TO 1976 U.S. PROPOSAL.

ABRASIVE PINCH-HIT PARTICIPATION BY CANADIAN AMB GREY LEFT NO DEL UNSCATHED. UNANTICIPATED HIGHLIGHT WAS DELIVERY BY JAPAN OF DETAILED ORAL STATEMENT ON INJURY INDICES, WHICH PROMPTED WIDE-RANGING COMMENTS FROM BOTH DC AND LDC DELS. US INTRODUCED ITS PAPER ON DOMESTIC PROCEDURES, WITH DISCUSSION OF THIS AND OTHER AGENDA ITEMS TO RESUME WEEK OF JUNE 27. END SUMMARY.

2. MTN GROUP SAFEGUARDS MET MAY 3-4 WITH SECRETARIAT (KAUTZOR-SCHROEDER) IN CHAIR, TO BEGIN EXAMINATION OF "ISSUE CLUSTERS" IN NEAR-TERM WORK PROGRAM ADOPTED AT FEBRUARY MEETING (REF A). DISCUSSION FOCUSED ON (A) CRITERIA, CONDITIONS, RETALLATION, COMPENSATION, AND ADJUSTMENT ASSISTANCE; (B) TYPES OF MEASURES AND MODALITIES OF APPLICATION (FYI: MFN VERSUS SELECTIVITY); AND (C) DOMESTIC PROCEDURES. ALTHOUGH ONLY U.S. AND NORDICS HAD TABLED PAPERS (MTN/SG/W/28 AND 30) IN RESPONSE TO AGREED WORK PROGRAM, WIDE-RANGING AND DETAILED COMMENTS BY OTHER DELS SERVED TO AVERT PROSPECT OF ARID DISCUSSION ANTICIPATED IN REF B. GROUP SIDE-STEPPED COMPLAINT BY AUSTRALIAN (AMBASSADOR FOGARTY), IN OPENING STATEMENT, THAT SAFEGUARDS WORK "WILL REMAIN A ONE-SIDED NEGOTIATION" SO LONG AS ARTICLE XIX PROVISIONS ARE NOT UNIVERSALLY APPLIED, AND WITH RAPID PROGRESS UNLIKELY ON MEASURES (QRS, VARIABLE LEVIES) WHICH CAN OBIVATE STRAIGHTFORWARD SAFEGUARD ACTION. US (HARTZELL) ASSURED GROUP ITS SAFEGUARD PROPOSAL TABLED JULY 1976 INTENDED TO COVER ALL MEASURES DESIGNED TO TEMPORARILY REMEDY COMMERCIAL LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MTN GE 03529 01 OF 04 091831Z

INJURY FROM "FAIR" COMPETITION, WHETHER OR NOT SUCH MEASURES PRESENTLY TAKEN EXPLICITLY UNDER ARTICLE XIX; US HAS IN MIND A CONTRACTUAL COMMITMENT REGARDING FUTURE BEHAVIOR OF ALL WHO AGREE IMPROVED APPLICATION OF XIX IS NEEDED, REGARDLESS OF THEIR HISTORY UNDER THAT ARTICLE. EC (ABBOTT), FASTENING ON US DEFINITION OF COVERAGE, ASSERTED THAT VARIABLE LEVIES NOT DESIGNED FOR "TEMPORARY REMEDY OF COMMERCIAL INJURY," COULD NOT BE CONSIDERED AS SAFEGUARD MEASURES, AND THUS FELL OUTSIDE SCOPE OF US PROPOSAL; THERE WERE RELEVANT SAFEGUARD CLAUSES IN EACH EC CAP, HOWEVER.

3. CRITERIA AND CONDITIONS: JAPAN (UKAWA) NOTED ARTICLE XIX:1(A) CRITERIA NOT ALWAYS SUFFICIENT AS SUCH, BUT AUTOMATICALLY APPLICABLE AND DETAILED INJURY CRITERIA WOULD BE UNREALISTIC. MORE PRODUCTIVE APPROACH WOULD BE TO ENUMERATE FACTORS TO BE TAKEN INTO ACCOUNT IN A DETERMINING WHETHER SERIOUS INJURY EXISTS; THESE

WOULD INCLUDE OUTPUT, TURNOVER, INVENTORIES, MARKET SHARE, PROFITS, PRICE, EXPORT PERFORMANCE, EMPLOYMENT, IMPORTS, CAPACITY UTILIZATION, AND PRODUCTIVITY. ADDITIONAL FACTORS FOR ASCERTAINING WHEN INJURY NOT CAUSED BY IMPORTS COULD INCLUDE COMPETITION AMONG DOMESTIC PRODUCERS, CONTRACTION IN DEMAND DUE TO SUBSTITUTION OF OTHER PRODUCTS, AND CHANGES IN CONSUMER TASTES. UKAWA NOTED MOST OF THESE FACTORS COME FROM ARTICLE 3 OF THE ANTI-DUMPING CODE (ADC) AND INVITED OTHER DELEGATIONS' COMMENTS. (WE ARE POUCHING JAPANESE STATEMENT.)

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 MTN GE 03529 02 OF 04 100308Z
ACTION STR-04

INFO OCT-01 AF-10 ARA-06 EUR-12 EA-07 NEA-10 IO-13
ISO-00 STRE-00 FEA-01 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-07 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05
SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01
OIC-02 /136 W

-----100530Z 106794 /11

P R 091624Z MAY 77

FM USDEL MTN GENEVA

TO SECSTATE WASHDC PRIORITY 2444

INFO ALL OECD CAPITALS

AMEMBASSY BELGRADE

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY LAGOS

AMEMBASSY MANILA

AMEMBASSY MEXICO

AMEMBASSY NAIROBI

AMEMBASSY NEW DELHI

AMEMBASSY SEOUL

AMEMBASSY TEL AVIV

AMCONSUL HONG KONG

LIMITED OFFICIAL USE SECTION 02 OF 04 MTN GENEVA 3529

4. NORDICS, CANADA, AND EC GENERALLY SUPPORTED, ALTHOUGH CANADA (AMBA
SSADOR GREY) IMPLIED JAPANESE MIGHT BE
TOO AMBITIOUS IN DEFINING INDICES TOO SHARPLY. US
WELCOMED JAPANESE STATEMENT AS CONCRETE CONTRIBUTION

NEEDED FOR NEGOTIATIONS, BUT NOTED THAT, WHILE US NOT
FLATLY OPPOSED TO CHECKLIST, WE QUESTION ITS UTILITY
UNLESS TIED INTO OTHER SPECIFIC ELEMENTS SUCH AS
DOMESTIC PROCEDURES. SEVERAL DELS CAUTIONED AGAINST
SIMPLE TRANSFER OF FACTORS FROM "MATERIAL INJURY,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MTN GE 03529 02 OF 04 100308Z

DUMPED IMPORTS" CONTEXT OF ADC INTO "SERIOUS INJURY,

ALL IMPORTS" CONTEXT OF XIX. EC POINTED OUT THAT SEV-
ERAL FACTORS FROM SEC. 201 OF US TRADE ACT WERE
INCLUDED IN JAPANESE LIST (IMPLYING US RECEPTIVITY
TO CHECKLIST), AND ARGUED THAT MEANING OF OTHER ELEMENTS
FROM ARTICLE XIX:1(A) OMITTED BY TRADE ACT--E.G.,
"UNFORESEEN DEVELOPMENTS" AND "EFFECTS OF OBLIGATIONS
INCURRED UNDER GATT"-- WOULD ALSO NEED DEFINING.
AUSTRALIA COMPLAINED THAT NO REAL JUSTIFICATION HAD
YET BEEN SHOWN FOR PROPOSALS TO TIGHTEN INJURY
CRITERIA, AND LOOSENING MIGHT BE SENSIBLE; AT ANY RATE
COUNTRIES SHOULD ENSURE THAT EXISTING CRITERIA ARE
OBSERVED AND APPLIED TO ALL SAFEGUARD ACTIONS.

5. NIGERIA (ADEWAKUN) ARGUED FOR SPECIAL SAFEGUARD
RULES,
KEYED TO LEVEL OF DEVELOPMENT, TO APPLY
TO LDC EXPORTERS--I.E., BLANKET,
10-YEAR EXEMPTION OF
LDC INFANT INDUSTRIES FROM SAFEGUARD ACTION, SUPPORTED
BY ADJUSTMENT-ASSISTANCE PROGRAMS UNDERTAKEN BY DCS
WHENEVER LDC INVESTMENT IN NEW INDUSTRY HAS BEGUN--
WITH "LEAST DEVELOPED OF LDCS AND THOSE WITH FINANCIAL
DIFFICULTIES" TO BE EXEMPT BEYOND 10 YEARS AS NECESSARY.
(COMMENT: THIS LURCH TOWARD "GRADUATION" CONCEPT
DID NOT PROVOKE REACTIONS, PRO OR CON, FROM OTHER DELS
IN ROOM. ALLOWANCE SHOULD BE MADE FOR TENDENCY OF
ADEWAKUN'S STATEMENTS IN PREVIOUS MTN MEETINGS TO RE-
FLECT AS MUCH PERSONAL OPINIONS AS INSTRUCTIONS FROM
LAGOS.) INDIA (SANDILYA) SAID DEFINITION OF "INDUSTRY"
AS BEING MORE THAN A FEW FIRMS WOULD BE IMPORTANT.
BRAZIL (BARTHEL-ROSA) AGREED AND REFERRED TO 1973
BRAZILIAN PROPOSAL AS SPELLING OUT IN DETAIL CON-
DITIONS AND CRITERIA FOR TAKING SAFEGUARD ACTIONS
AGAINST LDC EXPORTERS. BRAZIL STRESSED THAT IT REALIZED
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MTN GE 03529 02 OF 04 100308Z

BLANKET EXEMPTION FOR LDCS WAS NOT IN CARDS,

BUT SAID ITS PROPOSAL WOULD BUILD IN SPECIAL/DIFFERENTIAL TREATMENT BY STIPULATING THAT (A) DCS PROVE UNFORESEEN AND SUBSTANTIAL INCREASES IN IMPORTS; (B) GLOBAL INCREASES BE DISPROPORTIONATELY GREATER THAN DC DOMESTIC PRODUCTION; AND (C) INCREASED IMPORTS FROM LDC(S) CONSTITUTE MAJOR CAUSE OF SERIOUS INJURY. (COMMENT: THIS MEETING WAS FIRST OCCASION FOR BRAZILIAN DEL TO TAKE OUT ITS OLD PROPOSAL AND SYSTEMATICALLY PURSUE ARGUMENT THAT ITS IDEAS ARE "COMPLEMENTARY" TO THOSE OF DCS; BRAZIL THUS BECOMES BY FAR THE LEADING LDC COMMENTATOR ON SAFEGUARDS ISSUE.)

6. RELATIVELY LITTLE DISCUSSION DEVOTED TO CONDITIONS ON SAFEGUARD APPLICATION (POINT 5 OF US PROPOSAL), BRAZIL, SUPPORTED BY INDIA, ECUADOR (FOR ANDEANS) AND JAMAICA, ARGUED FOR TEMPORARINESS-- A 1-YEAR LIMIT FOR ACTIONS AGAINST LDCS, BUT POSSIBLY FOR DCS AS WELL-- AN INTERIM PERIOD AND PRIOR CONSULTATIONS BEFORE REIMPOSITION, AND ASSURED MINIMUM IMPORT LEVELS WITH NO ROLLBACK AND GROWTH FACTOR. AUSTRALIA, NEW ZEALAND, AND CANADA RESISTED TIME LIMITS ON SAFEGUARD ACTIONS, BUT THOUGHT PERIODIC REVIEWS APPROPRIATE. EC SUGGESTED 5-YEAR LIMIT WOULD BE MORE REALISTIC.

7. RETALIATION AND COMPENSATION: FOR MOST PART DELS EXPLORED PREVIOUS POSITIONS (REFS D AND E), WITH AMB. GREY LECTURING GROUP ON WELL-KNOWN CANADIAN INTERPRETATIONS OF XIX REQUIREMENTS (COMPENSATION/RETALIATION NOT LEGITIMATE FOR JUSTIFIED XIX ACTIONS) AND UTILITY OF COMPENSATION IN SETTLING SHORT-TERM ACTIONS WHERE JUSTIFICATION MIGHT BE QUESTIONABLE. EC AND NORDICS NOTED THAT ART. XIX SETS NO OBLIGATION TO COMPENSATE. JAPAN SAW COMPENSATION AS USEFUL ELEMENT, HOWEVER, TO MAINTAIN FOR FAIR MARKET CONDITIONS AND CONSIDERED RETALIATION "ESSENTIAL AS A DETERRENT;" LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MTN GE 03529 02 OF 04 100308Z

BRAZIL SHARED THIS VIEW. US NOTED SEVERAL COMILI-

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 MTN GE 03529 03 OF 04 100509Z

ACTION STR-04

INFO OCT-01 AF-10 ARA-06 EUR-12 EA-07 NEA-10 IO-13
ISO-00 FEA-01 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 EB-07 FRB-03 H-01 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05 SS-15
ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 STRE-00
OIC-02 /136 W

-----100530Z 108047 /11

P R 091624Z MAY 77

FM USDEL MTN GENEVA

TO SECSTATE WASHDC PRIORITY 2445

INFO ALL OECD CAPITALS

AMEMBASSY BELGRADE

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY LAGOS

AMEMBASSY MANILA

AMEMBASSY MEXICO

AMEMBASSY NAIROBI

AMEMBASSY NEW DELHI

AMEMBASSY SEOUL

AMEMBASSY TEL AVIV

AMCONSUL HONG KONG

LIMITED OFFICIAL USE SECTION 03 OF 04 MTN GENEVA 3529

CATIONS CAUSED BY COMPENSATION IN SYSTEM CONFINED TO
SHORT TERM ACTIONS, AND POINTED OUT THAT ITS PRO-
POSAL TO DROP RETALIATION/COMPENSATION FOR ACTIONS
CONSISTENT WITH CODE REQUIREMENTS NEVERTHELESS RE-
TAINED RETALIATION CONCEPT FOR CODE BREACHES; APPRO-
PRIATE FORMS OF RETALIATION WOULD BE MATTER FOR
NEGOTIATION.

8. CANADA SHARPLY CRITICIZED US PROPOSAL, STATING
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MTN GE 03529 03 OF 04 100509Z

THAT RETALIATION "NOT A USEFUL CONCEPT FOR SMALLER
COUNTRIES THAT LIVE BY EXPORTING" AND THAT, WHILE
ARTICLE XIX ADEQUATELY MAINTAINS "A DELICATE BALANCE" OF
OBLIGATIONS, PROBLEM IS THAT "FEW COUNTRIES LIVE
BY THE RULES." GREY SEEMED TO ARGUE BOTH SIDES OF
QUESTION, HOWEVER, AND WAS NOT CLEAR WHETHER OBJECTIONS
TO US PROPOSAL
CENTERED ON DROPPING RETALIATION,
RETAINING IT, OR ON DROPPING COMPENSATION. HE ACCUSED
US PROPOSAL OF ASSUMING "ALL COUNTRIES ARE EQUAL"
WHEN IN FACT THE POWERFUL SEEK TO DOMINATE THE SMALL.

(COMMENT: HOWEVER, AMBIGUOUS, AMBASSADOR GREY'S BLUNT CRITICISMS IN PLACE OF PREVIOUS CANADIAN WAIT-AND -SEE ATTITUDE ON RETALIATION/COMPENSATION MAY HAVE HAD DAMAGING EFFECT ON THAT ASPECT OF US PROPOSAL.)

9. ADJUSTMENT ASSISTANCE: DISCUSSION CONSISTED OF RESTATEMENT OF PREVIOUS POSITIONS, WITH LDCS ARGUING FOR MANDATORY ADJUSTMENT ASSISTANCE BY DCS (EITHER PRIOR TO OR NO LATER THAN IMPOSITION OF SAFEGUARD MEASURES) AND THE LATTER REFUSING TO GO BEYOND GENERAL SUPPORT FOR OPTIONAL ADJUSTMENT ASSISTANCE. NORDICS AND SWITZERLAND SUGGESTED THAT IMPORTERS SHOULD NOT ASSUME ALL RESPONSIBILITIES FOR ADJUSTMENT AND, AS MATTER OF GOOD FAITH, EXPORTERS SHOULD TAKE SOME ROLE AS WELL, PERHAIS VIA EXPORT RESTRAINT.

10. TYPES OF MEASURES: EC ASKED WHETHER U.S. EXPECTED VRAS TO BE EXPLICITLY PERMITTED (SANCTIONED) IN MULTILATERAL SAFEGUARD SYSTEM, OR SIMPLY SUBJECT TO "DISCIPLINES" OF NEW SYSTEM. US SAID VRAS WERE FACT OF LIFE AND SHOULD BE COVERED BY CODE, GENERALLY SUBJECT TO SAME DISCIPLINES AS OTHER MEASURES. EC THEN ASKED HOW US SAW OMA ON FOOTWEAR COMING UNDER THIS DISCIPLINE, WHAT WAS RELATIONSHIP TO XIX, AND WOULD THIRD COUNTRIES BE ABLE TO RAISE THE MATTER AND SEEK INFORMATION? US RESPONDED LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MTN GE 03529 03 OF 04 100509Z

AFFIRMATIVELY, NOTING THAT FOOTWEAR ACTION TO THIS POINT CORRESPONDS EXACTLY TO REQUIREMENTS OF XIX (INCLUDING PRIOR NOTIFICATION AND CONSULTATIONS WITH SUBSTANTIAL SUPPLIERS); ACTUAL MEASURES NOT YET IN PLACE, SO SPECULATION ON THEM UNWARRANTED. IN RESPONSE TO AUSTRALIAN QUERY ON FUTURE OF U.S. SECTION 22 RESTRICTIONS, EC VLS, AND JAPANESE QRS UNDER THE US PROPOSAL, US SAID ITS PROPOSED SAFEGUARD SYSTEM NOT DESIGNED WITH PARTICULAR PRIORITIES OF ANY DEL IN MIND FOR REMOVAL OF EXISTING MEASURES, BUT RATHER FOCUSED ON PURPOSES OF MEASURES TO BE UNDERTAKEN; SOME RECONCILIATION EVENTUALLY WOULD BE NEEDED. JAPAN COMPLAINED THAT IF VRAS WERE FACT OF LIFE, THEY WERE "UGLY" FACTS AND SHOULD CEASE; US RESPONDED THAT IT "TAKES TWO TO TANGO" AND IF ONE PARTNER WANTED TO REFUSE DANCE, IT COULD BE ENDED QUICKLY-- BUT THERE WAS NO SIGN THIS WAS THE CASE.

11. IN INCREASINGLY SHARP EXCHANGE, CANADA FOLLOWED UP QUESTION RAISED BY EC AND INSISTED ON KNOWING HOW US SEC. 337 ACTIONS WOULD BE HANDLED UNDER CODE. US RESPONSE THAT "UNFAIR PRACTICES" REMEDIES NOT COVERED BY OUR PROPOSAL PROVOKED GREY TO DENAND

US EXPLANATION OF 337 PROCEDURES AND PRACTICE, WHICH HE ALLEGED COULD SUBSTITUTE FOR SAFEGUARD ACTION. WE SUGGESTED HE PROCEED THROUGH BILATERAL DISCUSSION OR NTM/NDWM PROCEDURES.

12. MODALITIES OF APPLICATION: DISCUSSION ON SELECTIVITY (DIFFERENTIAL APPLICATION OF SAFEGUARDS) MUTED FOR LACK OF SPECIFIC SUGGESTIONS BY DELS; US CRITICIZED THOSE WHO SAY THEY WANT CHANGE BUT NOT WILLING TO TABLE PROPOSALS. FINLAND (FOR NORDICS) SAID ART. XIX DOES NOT PROHIBIT SELECTIVITY AND SMALL COUNTRIES HAD NO PROBLEM IN DETERMINING WHO CAUSES INJURY. NORDIC POSITION ON SELECTIVITY STIFLED BY CANADA, NEW ZEALAND, AND AUST-LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MTN GE 03529 03 OF 04 100509Z

TRALIA, WITH LATTER CALLING SELECTIVITY "A TRAP FOR THE SMALL COUNTRY." CANADA SAID GLOBAL ACTIONS--SUCH AS ITS BEING INCLUDED IN US SPECIALTY STEEL QUOTAS--"NOT TOO HIGH A PRICE TO PAY" FOR MAINTENANCE OF MFN.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 MTN GE 03529 04 OF 04 091943Z
ACTION STR-04

INFO OCT-01 AF-10 ARA-06 EUR-12 EA-07 NEA-10 IO-13
ISO-00 STRE-00 FEA-01 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-07 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05
SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01
OIC-02 /136 W

-----100531Z 100569 /11

P R 091624Z MAY 77

FM USDEL MTN GENEVA

TO SECSTATE WASHDC PRIORITY 2446

INFO ALL OECD CAPITALS

AMEMBASSY BELGRADE

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY LAGOS

AMEMBASSY MANILA

AMEMBASSY MEXICO

AMEMBASSY NAIROBI
AMEMBASSY NEW DELHI
AMEMBASSY SEOUL
AMEMBASSY TEL AVIV
AMCONSUL HONG KONG

LIMITED OFFICIAL USE SECTION 4 OF 4 MTN GENEVA 3529

EC STATED THAT SELECTIVITY QUESTION MUST BE ASSOCIATED WITH MULTILATERAL SURVEILLANCE, IN ORDER TO OFFER PROTECTION TO SMALLER COUNTRIES. EC ASSERTED US SPECIALTY STEEL ACTION WAS NON-MFN, NOTING THAT DIFFERENTIAL BASE PERIODS COULD YIELD SAME EFFECT AS SELECTIVITY PER SE. CANADA DISAGREED, SUPPORTED BY US WHO NOTED THAT BOTH BASE YEAR QUESTION AND SEVERAL OTHER ASPECTS OF US ACTION DISCUSSED IN FULL IN US NOTIFICATIONS TO GATT CPS. BRAZIL TRIED TO MAKE CASE THAT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MTN GE 03529 04 OF 04 091943Z

DIFFERENTIAL TREATMENT FOR LDCE WAS DIFFERENT FROM GENERAL MFN - VS. - SELECTIVITY ISSUE, AND THUS COULD BE PURSUED REGARDLESS OF STATUS OF LATTER DEBATE. MEXICO (DELGADO) AND INDIA SUPPORTED BRAZIL.

13. DOMESTIC PROCEDURES: US INTRODUCED EXPANDED PROPOSAL ON REQUIREMENT FOR DOMESTIC PROCEDURES, CITING ARGUMENTS ALONG LINES REF C; GROUP AGREED TO POSTPONE FULL DISCUSSION TO NEXT MEETING. JAPAN AND AUSTRIA WELCOMED US PAPER AS "USEFUL CONTRIBUTION," JAPAN AGAIN STATING IT NOT OPPOSED TO GUIDELINES FOR DOMESTIC PROCEDURES. MOST DELS INDICATED DOUBTS ON PRELIMINARY BASIS. CANADA ASKED WHAT PUBLIC PROCEDURES WERE ANTICIPATED "FOR DEALING WITH PUBLIC PROCEDURES THAT GIVE THE WRONG ANSWER." EC WARNED AGAINST "DANGER" IN PUBLIC PROCEDURES OF ENCOURAGING PRESENTATION OF INADEQUATE CASES, AND CAUSING "HARASSMENT THROUGH QUASI-JUDICIAL PROCEEDINGS."

14. GROUP ADJOURNED TO WEEK OF JUNE 27, WITHOUT SUMMING UP BY CHAIRMAN, AND WILL CONTINUE WITH CURRENT AGENDA AT THAT TIME.

15. COMMENTS: MOST STRIKING ASPECT OF THIS MEETING WAS OFTEN BELLIGERENT PERFORMANCE OF GREY OF CANADA. WHILE GENERALLY HELPFUL DURING INITIAL STAGES OF MEETING, HE SHOWED INCREASINGLY ABRASIVE BEHAVIOR IN RESPONSE TO US AND OTHER DELEGATIONS' STATEMENTS; IF NOTHING ELSE, THIS UNDERSCORES CANADIANS' RELUCTANCE TO SEEK CHANGES IN SAFEGUARDS AREA.

16. IN INFORMAL CONVERSATION, ABBOTT OF EC
SAID US PRESSURE TO PRODUCE SPECIFIC PROPOSALS (SEE
REF B) HAS BEEN HELPFUL IN COMMISSION DEALINGS WITH
MEMBER STATES, SOME OF WHOM HAVE BEEN INSISTING
NO EC PAPER IS NEEDED. NEVERTHELESS, HE IMPLIED THAT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MTN GE 03529 04 OF 04 091943Z

EC INITIATIVE NOT LIKELY UNLESS OR UNTIL POST-
SUMMIT DISCUSSIONS LEAD TO REVISED EC DIRECTIVES.WALKER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, COMMITTEE MEETINGS, NEGOTIATIONS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 09-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MTNGE03529
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770163-0876
Format: TEL
From: MTN GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770579/aaaacqar.tel
Line Count: 508
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: dc764698-c288-dd11-92da-001cc4696bcc
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 MTN GENEVA 1150, 77 MTN GENEVA 3192
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2596900
Secure: OPEN
Status: NATIVE
Subject: MTN GROUP SAFEGUARDS MEETING, 3-4 MAY 1977
TAGS: ETRD, GATT, MTN
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/dc764698-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009